



Office of the Board of Assessors

Jennifer Wilton, Chair
Amy Butterworth, Member
Michelle Laramée, Member
Harald M. Scheid, Regional Tax Assessor

West Stockbridge: Land Values Explained

The Need for Greater Uniformity in Land Valuation

The main goal of an assessor's office is fairness and uniformity in taxation. While assessors play little or no role in determining how many tax dollars a municipality raises, we strive to distribute the tax burden equitably. Property valuations are the means by which the town's total property tax collections, known as the "Property Tax Levy", are distributed. The higher your valuation - the greater your share of the property tax burden.

Property assessments are most fair when they meet two fundamental tests; they are reflective of market value, and are equitable (based on a uniform and accepted valuation methodology).

Most assessors' offices rely upon a market-related cost method when estimating property values. Valuations developed using this approach use localized building costs in conjunction with land value estimates to yield a property's approximate market value. The assessors' CAMA (Computer Assisted Mass Appraisal) system holds a collection of rate tables for the valuation of both land and buildings. These tables when applied to a property's listed data yield the valuations used in calculating the share of taxes assessed to a property.

Land Valuation – Past Practices

Over the years, assessors have experienced mounting complaints over the question of land value equity. These complaints have caught the attention of the Massachusetts Department of Revenue and the agency responsible for certifying taxable valuations – the Bureau of Local Assessment. Understandably, the BLA is now requiring assessors to show that land valuations and the system of tables that generate them have market support, as well as, demonstrated uniform application of a simple and standard valuation method.

Without a uniform and transparent method for valuing land, assessed valuations are difficult to defend and even more difficult to explain. Common practice over the decades has seen assessors introducing all sorts of special adjustments, usually to accommodate an individual property owner's complaint. Over time, land records became cluttered with hundreds of special adjustments – many undocumented and unable to be explained.

Land valuation mandates have resulted in fundamental changes in the way our office values land. This document is intended to help taxpayers understand how their land values are estimated.

Affected Land Types

West Stockbridge's recent revaluation has resulted in substantial land value changes aimed at addressing past over-and-under valuation problems. Notable land types that have realized greater than normal valuation changes include the following.

Large acreage parcels – special discounts for parcels with large acreages have been removed. The absence of market sales support no longer permits our office from discounting values of these types of property. Owners may wish to investigate one of the chapter land programs for forestry, agriculture, or recreation.

Undeveloped land discounts – past assessments on vacant land may have included special discounts. These discounts were not uniformly applied, nor did they have market support.

Site features – we have addressed complaints from property owners that land was not consistently valued to account for exceptional sites in superior locations. Homes fronting water or having exceptional views are now consistently valued.

Land with unexplained site influences – many properties benefited from discounts for various site features that either cannot be supported by market sales analysis, or were not equitably applied to other parcels having the same site characteristics.

Properties not valued according to the prevailing land schedule – situations where land was not valued using an approved land schedule. For example, we found that a number of unbuildable land parcels were valued using buildable land rates with artificial adjustments to lower the value to a desired level. Unbuildable land must now be valued according to the DOR approved residual and/or undevelopable land rates – whichever applies.

Transition to a standard land valuation method with consistently applied rates will cause some assessments to increase. Our office anticipates that a number of property owners facing valuation increases may file for an abatement. Once we transition to a simpler, transparent, and fairer land value system we anticipate a reduced number of complaints over tax equity.

Understanding the Concept of Land Segmentation

In order to understand how assessors establish land values, the concept of land segmentation must be understood. Land segmentation is a means of recognizing the value associated with a parcel's use or uses. Each land parcel and the total acreage it embraces may be divided into one of several categories for land valuation purposes:

Primary Site – up to the first 3 acres of land area required by zoning for an existing or potential home site

Secondary Sites – frontage and land area permitting, this category accounts for additional building sites

Residual Acreage – excess acreage with minimal or no frontage beyond that area already categorized as primary and secondary sites.

Undevelopable – land area covering certified wetlands or extreme topography

Developing Land Value Rates

There are 2 principal techniques assessors use in developing land valuation rates; an analysis of land sales having sold during the relevant sales period, and an analysis of home sales wherein estimated building values are subtracted from sale prices to yield a land “residual” value. If properly developed, both analyses provide support for the tables used to value land.

Prime Land Values

Assessors value prime acreage on a site-value basis rather than on a per-acre rate. Values for lots having a land area below the 3.00 acres required by West Stockbridge residential zoning are valued on a sliding scale that recognizes only minimal diminishment of value as land size decreases. For example, a 1½-acre building lot is not valued at half the price of a 3-acre lot. Both properties support a house. A potential buyer might pay a bit more for the larger site, but not twice the price of the smaller lot.

Prime lot values are also adjusted for relative location desirability. Most lots across town are rated as having average site desirability. Parcels having both substandard and above-standard location desirability may be placed in an appropriate site or neighborhood category. The fiscal year 2012 land schedule shows rates adjusted for general site desirability with category 2 representing an average West Stockbridge location, category 1 below average locations, and neighborhoods 4 thru 6 above average locations. Location ratings are assigned based on both sales history and field observation. In general, more expensive homes tend to benefit from higher underlying land values and are therefore given a higher site rating.

